
From: georgenagy [gnagy@mojavedesertbank.com]
Sent: Monday, July 10, 2006 5:04 PM
To: Comments, Regulation
Subject: MSB

Dear Sir or Madam:

Previously to becoming President/CEO of Mojave Desert Bank, Mojave , CA, I was employed for over 25 year at Antelope Valley Bank, (AVB), now California Bank & Trust, (CB&T), in Lancaster, CA. During the years AVB was an independent bank, we acquired and cultivated a large number of relationships with MSB's. This business was quite profitable for the bank and it never suffered a loss from such activity.

Shortly after AVB merged into CB&T and the restrictive regulations were handed down, CB&T, like many other banks decided that continuing to do business with MSB's became so difficult and the potential for regulatory problems so large, that it adopted overly onerous policies toward existing accounts, and further prohibited the opening of new accounts. Since MSB's were not a large segment of business for CB&T, it did not care if these accounts were lost or not. However, its posture toward these businesses certainly became a cause of great difficulty for its individual owners.

We are in process of opening a new branch location in Lancaster. When we are open I plan to solicit MSB accounts, with the knowledge that they will be good business for my bank. Obviously, I would welcome any regulatory relief in the handling of these accounts.

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